BOARD OF INVESTMENT TRUSTEES

M E M O R A N D U M

November 12, 2010

TO: Participants – Retirement Savings Plan, Deferred Retirement Service Program, Elected Officials' Plan

FROM: Linda A. Herman, Executive Director

SUBJECT: Investment Offerings

The Board of Investment Trustees, which oversees the investment options offered in the Retirement Savings Plan (RSP), Deferred Retirement Service Program (DRSP) and the Elected Officials' Plan (EOP), continually seeks to improve the investment options and services available to participants.

Annually the Board reviews the services provided by Fidelity and works with Fidelity in an effort to provide strong investment options, at the lowest fees possible, with the highest level of service to participants. Fidelity, the largest recordkeeper for defined contribution plans, serves more than 14.8 million participants and oversees $838 billion in assets.

During the past year the Board has reviewed the investment fund structure and fund offerings. Shown below are the changes being implemented by the Board.

Fidelity Freedom K® Funds - Lower Fees – effective December 8, 2010: The Fidelity Freedom Funds will be converted to the Fidelity Freedom K Funds effective as of the market close on December 8, 2010, resulting in lower fees (see table on the next page reflecting the conversion). If you are investing in a Fidelity Freedom Fund on December 8, 2010, your balance will be transferred to the corresponding Fidelity Freedom K Fund option. The transfer of your balance will appear as an exchange on your account history and quarterly statement. All future contributions you have designated for the Freedom Funds will be invested in the Freedom K Funds after December 8, 2010.

Fidelity Freedom K Funds are a new series of Fidelity target date retirement mutual funds. Fidelity Freedom K Funds have the same management team, investment objectives and will invest in the same underlying funds as the Fidelity Freedom Funds (although the Freedom K® Funds will often invest in a different share class of the underlying funds). What this means to you is, if you are investing in the Fidelity Freedom Funds, you will benefit from lower fees after the close of the market (generally 4 p.m. Eastern time) on December 8, 2010. To review Fidelity Freedom K® Fund prospectuses, log on to Fidelity NetBenefits® at www.fidelity.com/atwork.

If you do not want your existing Freedom Fund balances and future contributions to transfer to the Freedom K Funds, you must contact Fidelity Investments® before 4:00 P.M. Eastern time on **December 8, 2010**, to make a change. You can do so by logging on to Fidelity NetBenefits® at www.fidelity.com/atwork or calling toll-free at 1-800-343-0860 Monday through Friday (excluding New York Stock Exchange holidays) between 8:00 A.M. and Midnight Eastern time.

Old Investment Option	Expense Ratio*	New Investment Option	Expense ratio*
Fidelity Freedom Income Fund®	0.50	Fidelity Freedom K® Income Fund	0.42
Fidelity Freedom 2000 Fund®	0.51	Fidelity Freedom K® 2000 Fund	0.43
Fidelity Freedom 2005 Fund®	0.64	Fidelity Freedom K® 2005 Fund	0.52
Fidelity Freedom 2010 Fund®	0.67	Fidelity Freedom K® 2010 Fund	0.53
Fidelity Freedom 2015 Fund®	0.68	Fidelity Freedom K® 2015 Fund	0.54
Fidelity Freedom 2020 Fund®	0.74	Fidelity Freedom K® 2020 Fund	0.57
Fidelity Freedom 2025 Fund®	0.76	Fidelity Freedom K® 2025 Fund	0.59
Fidelity Freedom 2030 Fund®	0.79	Fidelity Freedom K® 2030 Fund	0.61
Fidelity Freedom 2035 Fund®	0.81	Fidelity Freedom K® 2035 Fund	0.61
Fidelity Freedom 2040 Fund®	0.81	Fidelity Freedom K® 2040 Fund	0.62
Fidelity Freedom 2045 Fund®	0.82	Fidelity Freedom K® 2045 Fund	0.62
Fidelity Freedom 2050 Fund®	0.84	Fidelity Freedom K® 2050 Fund	0.62

* For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. Expense ratios change periodically and are drawn from the fund's prospectus. For more detailed fee information, see the fund prospectus or the annual or semiannual report.

Resources Available:

National Planning Corporation: To answer questions about how this change may affect your portfolio, or to review your investments and financial goals, the Board provides two hours of investment counseling annually through National Planning Corporation. All employees may use administrative leave to attend a counseling session. To register for a financial planning session, please visit the Board's website at http://www.montgomerycountymd.gov/bit, and click on Investment Education, Retirement Savings Plan, and National Planning Corporation, or call National Planning Corporation at 410-557-7300.

Fidelity Investments: Fidelity Retirement Counselors are also available to answer your questions about the change discussed above and to help you determine whether your portfolio has the right mix of investments, if you're on track to meet your goals, and if your savings will last throughout retirement. To register for a one-on-one meeting with a Fidelity representative, please visit the Board's website at **http://www.montgomerycountymd.gov/bit**, and click on Investment Education, Retirement Savings Plan, and Fidelity Investments.

Questions

Contact the Board of Investment Trustees by email at **bit@montgomerycountymd.gov** or by calling **240-777-8220.**

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information call Fidelity at 1-800-343-0860 or visit www.fidelity.com for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.

* For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. Expense ratios change periodically and are drawn from the fund’s prospectus. For more detailed fee information, see the fund prospectus or annual or semiannual reports.